



August 30, 2010

The Honorable Arnold Schwarzenegger
Office of the Governor
State Capitol, First Floor
Sacramento, CA 95814

Re: AB 1825 (De La Torre) - SUPPORT

Dear Governor Schwarzenegger:

The California Commission on the Status of Women is pleased to cosponsor AB 1825 (De La Torre) with the American Congress of Obstetricians and Gynecologists. This bill would require all insurance policies to cover maternity care services for women in California.

Although current law requires most insurance plans to include maternity services in its policies, individually marketed policies are not subject to this requirement. In recent years, the sales of cheaper policies, excluding maternity care, have increased significantly. As more people purchase these policies and the risk pool for insureds with maternity coverage is thereby decreased, policies that include coverage for maternity care will become even more expensive and completely out of reach for many women. However, if the risk were spread across the entire risk pool by requiring all health insurance policies to include maternity services, there would be a monthly premium increase of only \$8.48 for those currently without maternity coverage (California Health Benefits Review Program).

Since women are the only ones whose biology enables them to bear children, women are the only ones who need to buy the more expensive policies, and therefore it is women who will bear the burden of the increased cost. This economic burden is magnified by the fact that women on average make only 77% of men's wages and have less ability to pay expensive health care costs. This burden is even more substantial for women of color whose average wages are even less.

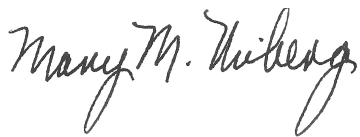
The resulting disproportionate cost for men and women to obtain coverage for their basic medical needs constitutes gender discrimination. Maternity care is basic and preventive health care for women. Women should not have to pay more for essential, fundamental medical care and the law should not allow the sale of insurance policies that discriminate against women.

Comprehensive maternity coverage is critical to ensuring the long-term physical wellbeing of women and children and is a significant factor in preventing public health costs. Pregnant women who do not have insurance coverage for maternity care often become recipients of state-funded programs. These women may delay or forego prenatal care, increasing the risks of childbirth and the health of the child, which in turn leads to increased costs for the state.

Federal health care reform mandates maternity coverage as of 2014, but California should not wait given the dramatic increase in the sale of "maternity free" policies resulting in a growing number of women who lack health care coverage for maternity services. To address concerns expressed regarding the impact on premiums, AB 1825 has been amended to include a 12-month waiting period for maternity coverage for previously uninsured women who purchase new policies issued in 2011-2013. This exclusionary period would provide a more gradual impact on premiums during the transition to federal maternity coverage requirements in 2014.

The sale of insurance policies that provide basic health care benefits for men at a lower cost than those for women are discriminatory. We very much appreciate your signature last year on AB 119 (Jones), prohibiting gender discrimination in the pricing of health care insurance. Allowing insurers to sell policies without maternity coverage is essentially a loophole in the anti-discrimination law that results in women paying more for basic medical needs. AB 1825 would eliminate this loophole and ensure that prenatal care coverage reaches all women who purchase insurance. This bill is needed to provide true health care equality for women. We urge you to sign AB 1825.

Sincerely,



Mary Wiberg
Executive Director



Beth McGovern
Legislative Director